

WEST VIRGINIA SECURITIES COMMISSION

STATEMENT OF POLICY

Annual Filing of Financial Statements by Broker-Dealers

March 3, 2008

This Statement of Policy is adopted by the West Virginia Securities Commission pursuant to the authority of the Commissioner of Securities of the State of West Virginia granted under Chapter 32 of the West Virginia Code. This Statement of Policy applies specifically to the filing of annual financial statements, as set forth in the West Virginia Code of State Rules, by a broker-dealer after a broker-dealer has met the registration requirements of being licensed as a broker-dealer in West Virginia. This Statement of Policy does not apply to any financial document that is required in order to register as a broker-dealer in West Virginia.

WVCSR 111-1-12.01(b) states:

Each broker-dealer shall file annually with the Commissioner a copy of its annual financial statements filed with the SEC as required under and at times specified in SEC Rule 17a-5 (FOCUS Report Part II; Reports to be made by Certain Brokers and Dealers, 17 CFR 240.17a-5) and shall file with the Commissioner a copy of each report required by said Rule 17a-5 (d) on the date and in the form prescribed therein. Broker-dealer required to furnish their customers with an audited financial statement in accordance with said Rule 17a-5 may satisfy the requirement of this subsection by filing with the Commissioner a copy of that audited financial statement. If in the annual audit report the independent certified public accountant commented on any material inadequacies in accordance with SEC Rule 17a-5 and 17a-11, a copy of the comments shall accompany the financial statement filed with the Commissioner.

The West Virginia Securities Commission finds that a copy of each annual financial statement is available through the United

States Securities and Exchange Commission. Additionally, the West Virginia Securities Commission finds that any broker-dealer is required to provide a copy of each annual financial statement to the West Virginia Securities Commission upon request.

Accordingly, in the interest of reducing unnecessary paperwork and duplication of effort, it is the policy of the West Virginia Securities Commission that filing of an annual financial statement with the United States Securities and Exchange Commission shall be deemed sufficient to have met the filing requirement as set forth in WVCSR 111-1-12.01(b).

Glen B. Gainer, III
State Auditor
Commissioner of Securities

By: Lisa A. Hopkins
General Counsel
Senior Deputy Commissioner of Securities

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